

H.R. 2950 AS REPORTED
BY THE SUBCOMMITTEE ON RAILROADS
ON MAY 8, 2002

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Rail Infrastructure De-
3 velopment and Expansion Act for the 21st Century”.

4 SEC. 2. HIGH-SPEED INTERCITY RAIL FACILITY BONDS.

5 (a) AMENDMENT.—Chapter 261 of title 49, United
6 States Code, is amended by adding at the end the fol-
7 lowing new section:

8 “§ 26106. High-speed rail infrastructure bonds

9 “(a) DESIGNATION.—The Secretary may designate
10 bonds for purposes of subsection (f) or section 54 of the
11 Internal Revenue Code of 1986 if—

12 “(1) the bonds are to be issued by—

13 “(A) a State, if the entire railroad pas-
14 senger transportation corridor containing the
15 infrastructure project to be financed is within
16 the State;

17 “(B) 1 or more of the States that have en-
18 tered into an agreement or an interstate com-
19 pact consented to by Congress under section

1 410(a) of Public Law 105–134 (49 U.S.C
2 24101 nt); or

3 “(C) an agreement or an interstate com-
4 pact described in subparagraph (B);

5 “(2) the bonds are for the purpose of
6 financing—

7 “(A) projects that make a substantial con-
8 tribution to providing the infrastructure and
9 equipment required to complete a high-speed
10 rail transportation corridor (including projects
11 for the acquisition, financing, or refinancing of
12 equipment and other capital improvements, in-
13 cluding the introduction of new high-speed tech-
14 nologies such as magnetic levitation systems,
15 track or signal improvements, the elimination of
16 grade crossings, development of intermodal fa-
17 cilities, improvement of train speeds or safety,
18 or both, and station rehabilitation or construc-
19 tion), but only if the Secretary determines that
20 the projects are part of a viable and comprehen-
21 sive high-speed rail transportation corridor de-
22 sign for intercity passenger service, including a
23 design for minimally operable segments of a
24 corridor designated under section 104(d)(2) of
25 title 23, United States Code; or

1 “(B) projects for the Alaska Railroad;

2 “(3) for a railroad passenger transportation
3 corridor design that includes the use of freight rail-
4 road rights-of-way, a written agreement exists be-
5 tween the applicant and the freight railroad regard-
6 ing such use, including compensation for such use
7 and assurances regarding the adequacy of infra-
8 structure capacity to accommodate both existing and
9 future freight and passenger operations;

10 “(4) the corridor design eliminates existing rail-
11 way-highway grade crossings that the Secretary de-
12 termines would impede high-speed rail operations;

13 “(5) the applicant agrees to comply with the
14 standards of section 24312, as in effect on Sep-
15 tember 1, 2001, with respect to the project in the
16 same manner that the National Railroad Passenger
17 Corporation is required to comply with such stand-
18 ards for construction work financed under an agree-
19 ment made under section 24308(a); and

20 “(6) the applicant agrees not to pay the prin-
21 cipal or interest on the bonds using funds derived di-
22 rectly or indirectly from the Highway Trust Fund,
23 except as permitted by law as of the date of the en-
24 actment of this section.

25 “(b) BOND AMOUNT LIMITATION.—

1 “(1) IN GENERAL.—The amount of bonds des-
2 ignated under this section may not exceed—

3 “(A) in the case of subsection (f) bonds,
4 \$1,200,000,000 for each of the fiscal years
5 2003 through 2012; and

6 “(B) in the case of section 54 bonds,
7 \$1,200,000,000 for each of the fiscal years
8 2003 through 2012.

9 “(2) CARRYOVER OF UNUSED LIMITATION.—If
10 for any fiscal year the limitation amount under sub-
11 paragraph (A) or (B) of paragraph (1) exceeds—

12 “(A) with respect to subparagraph (A) of
13 paragraph (1), the amount of subsection (f)
14 bonds issued during such year; or

15 “(B) with respect to subparagraph (B) of
16 paragraph (1), the amount of section 54 bonds
17 issued during such year,

18 the limitation amount under subparagraph (A) or
19 (B) of paragraph (1), as the case may be, for the
20 following fiscal year (through fiscal year 2016) shall
21 be increased by the amount of such excess.

22 “(c) PREFERENCE.—The Secretary shall give pref-
23 erence to the designation under this section of bonds for
24 projects—

1 “(1) to be funded through a combination of
2 subsection (f) bonds and section 54 bonds;

3 “(2) which propose to link rail passenger serv-
4 ice with other modes of transportation;

5 “(3) expected to have a significant impact on
6 air traffic congestion;

7 “(4) expected to also improve commuter rail op-
8 erations;

9 “(5) where all environmental work has already
10 been completed and the project is ready to com-
11 mence; or

12 “(6) that have received financial commitments
13 and other support of State and local governments.

14 “(d) TIMELY DISPOSITION OF APPLICATION.—The
15 Secretary shall grant or deny a requested designation
16 within 9 months after receipt of an application.

17 “(e) ANNUAL REPORTS.—

18 “(1) FROM ISSUER OF BONDS.—The issuer of
19 bonds designated under subsection (a) shall report
20 annually to the Secretary regarding the terms of
21 outstanding designated bonds and the progress made
22 with respect to the project financed by the bonds.

23 “(2) FROM SECRETARY.—The Secretary, in
24 consultation with the Secretary of the Treasury,

1 shall transmit to the Congress an annual report
2 which includes—

3 “(A) reports received under paragraph (1);
4 and

5 “(B) an assessment of the progress made
6 toward completion of high-speed rail transpor-
7 tation corridors resulting from projects financed
8 by bonds designated under subsection (a).

9 “(f) TAX TREATMENT OF SUBSECTION (f) BONDS.—

10 “(1) EXCLUSION FROM GROSS INCOME.—The
11 interest on a bond designated by the Secretary
12 under subsection (a) for purposes of this subsection
13 shall be excluded from gross income under section
14 103 of the Internal Revenue Code of 1986, notwith-
15 standing section 149(c) of such Code.

16 “(2) EXEMPTION FROM VOLUME CAP.—For
17 purposes of section 146 of such Code, a bond des-
18 ignated by the Secretary under subsection (a) for
19 purposes of this subsection shall be considered to be
20 exempt from the volume cap of the issuing authority
21 in the same manner as bonds listed in subsection (g)
22 of such section 146.

23 “(g) REFINANCING RULES.—Bonds designated by
24 the Secretary under subsection (a) may be issued for refi-
25 nancing projects only if the indebtedness being refinanced

1 (including any obligation directly or indirectly refinanced
2 by such indebtedness) was originally incurred by the
3 issuer—

4 “(1) after the date of the enactment of this sec-
5 tion;

6 “(2) for a term of not more than 3 years;

7 “(3) to finance projects described in subsection
8 (a)(2); and

9 “(4) in anticipation of being refinanced with
10 proceeds of a bond designated under subsection (a).

11 “(h) PROVISIONS REGARDING HIGH-SPEED RAIL
12 SERVICE.—

13 “(1) STATUS AS EMPLOYER OR CARRIER.—

14 **[]**

15 “(2) COLLECTIVE BARGAINING AGREEMENT.—

16 Any entity which, after the date of enactment of the
17 Rail Infrastructure Development and Expansion Act
18 for the 21st Century, **[]** in connection with
19 high-speed rail passenger service on projects funded
20 in whole or in part by high-speed rail infrastructure
21 bonds under the Rail Infrastructure Development
22 and Expansion Act for the 21st Century, and re-
23 places intercity rail passenger service that was pro-
24 vided by another entity as of the date of enactment
25 of this section, shall enter into an agreement with

1 the authorized bargaining agent or agents for em-
2 ployees of the provider of intercity rail passenger
3 service being replaced that—

4 “(A) gives each qualified employee of the
5 provider of the intercity rail passenger service
6 being replaced priority in hiring for each posi-
7 tion that is in the employee’s craft or class and
8 is available within three years after the termi-
9 nation of such service;

10 “(B) establishes a procedure for notifying
11 such an employee of such positions;

12 “(C) establishes a procedure for such an
13 employee to apply for such positions; and

14 “(D) establishes a procedure for deter-
15 mining the seniority of such an employee who
16 is hired by the replacing entity in his respective
17 craft or class.

18 “(3) IMMEDIATE REPLACEMENT OF EXISTING
19 PASSENGER RAIL SERVICE.—

20 (A) If the replacement of preexisting inter-
21 city rail passenger service occurs concurrent
22 with the commencement of the replacing enti-
23 ty’s high-speed rail passenger service, the re-
24 placing entity shall give written notice of its
25 plan to replace existing rail passenger service to

1 the authorized collective bargaining agent or
2 agents for the employees of the predecessor pro-
3 vider at least 90 days prior to the date it plans
4 to commence service. Within 5 days from the
5 date of receipt of the aforementioned written
6 notice, negotiations between the replacing entity
7 and the collective bargaining agent or agents
8 for the employees of the predecessor provider
9 shall commence for the purpose of reaching
10 agreement with respect to all matters set forth
11 in paragraph (2)(A)-(D). The negotiations shall
12 continue for 30 days or until an agreement is
13 reached, whichever is sooner. If at the end of
14 30 days the parties have not reached an agree-
15 ment, the dispute shall be submitted for arbi-
16 tration in accordance with the procedure set
17 forth in subparagraph (B).

18 “(B) If the replacing entity and the au-
19 thorized collective bargaining agent or agents
20 for the employees of the predecessor provider
21 have not entered into such an agreement within
22 the time period for negotiations established in
23 accordance with subparagraph (A), the parties
24 shall select an arbitrator within 5 days. If the
25 parties are unable to agree upon the selection

1 of such arbitrator, either or both parties shall
2 notify the National Mediation Board, which
3 shall provide a list of seven arbitrators with ex-
4 perience in arbitrating rail labor protection dis-
5 putes. Within 5 days, the parties shall alter-
6 nately strike names from the list until only one
7 name remains, and that person shall serve as
8 the neutral arbitrator. Within 45 days after se-
9 lection of the arbitrator, the arbitrator shall
10 conduct a hearing on the dispute and shall
11 render a decision regarding the issues set forth
12 in paragraph (2)(A)-(D). This decision shall be
13 final, binding, and conclusive upon the parties.
14 The salary and expenses of the arbitrator shall
15 be borne equally by the parties; all other ex-
16 penses shall be paid by the party incurring
17 them.

18 “(C) The replacing entity shall commence
19 service only after an agreement is reached relat-
20 ing to the matters set forth in paragraph
21 (2)(A)-(D) or the decision of the arbitrator has
22 been rendered.

23 “(4) SUBSEQUENT REPLACEMENT OF EXISTING
24 PASSENGER RAIL SERVICE.—If the replacement of
25 existing rail passenger service takes place within 3

1 years after the replacing entity commences high-
2 speed rail passenger service, the replacing entity and
3 the collective bargaining agent or agents for the em-
4 ployees of the predecessor provider shall enter into
5 an agreement that addresses the matters set forth in
6 paragraph (2)(A)-(D). If the parties have not en-
7 tered into such an agreement within 60 days after
8 the date on which the replacing entity replaces the
9 predecessor provider, the parties shall select an arbi-
10 trator using the procedures set forth in paragraph
11 (3)(B), who shall, within 20 days of the commence-
12 ment of the arbitration, decide all issues on which
13 the parties were unable to agree. This decision shall
14 be final, binding, and conclusive upon the parties.

15 “(i) ISSUANCE OF REGULATIONS.—Not later than 6
16 months after the date of the enactment of this section,
17 the Secretary shall issue regulations for carrying out this
18 section.

19 “(j) DEFINITIONS.—For purposes of this section—

20 “(1) SUBSECTION (f) BOND.—The term ‘sub-
21 section (f) bond’ means a bond designated by the
22 Secretary under subsection (a) for purposes of sub-
23 section (f).

24 “(2) SECTION 54 BOND.—The term ‘section 54
25 bond’ means a bond designated by the Secretary

1 under subsection (a) for purposes of section 54 of
2 the Internal Revenue Code of 1986 (relating to cred-
3 it to holders of qualified high-speed rail infrastruc-
4 ture bonds).”.

5 (b) TABLE OF SECTIONS AMENDMENT.—The table of
6 sections of chapter 261 of title 49, United States Code,
7 is amended by adding after the item relating to section
8 26105 the following new item:

“26106. High-speed rail infrastructure bonds.”.

9 **SEC. 3. TAX CREDIT TO HOLDERS OF QUALIFIED HIGH-**
10 **SPEED RAIL INFRASTRUCTURE BONDS.**

11 (a) IN GENERAL.—Part IV of subchapter A of chap-
12 ter 1 of the Internal Revenue Code of 1986 (relating to
13 credits against tax) is amended by adding at the end the
14 following new subpart:

15 **“Subpart H—Nonrefundable Credit for Holders of**
16 **Qualified High-Speed Rail Infrastructure Bonds**

“Sec. 54. Credit to holders of qualified high-speed rail infrastruc-
ture bonds.

17 **“SEC. 54. CREDIT TO HOLDERS OF QUALIFIED HIGH-SPEED**
18 **RAIL INFRASTRUCTURE BONDS.**

19 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
20 payer who holds a qualified high-speed rail infrastructure
21 bond on a credit allowance date of such bond which occurs
22 during the taxable year, there shall be allowed as a credit
23 against the tax imposed by this chapter for such taxable

1 year an amount equal to the sum of the credits determined
2 under subsection (b) with respect to credit allowance dates
3 during such year on which the taxpayer holds such bond.

4 “(b) AMOUNT OF CREDIT.—

5 “(1) IN GENERAL.—The amount of the credit
6 determined under this subsection with respect to any
7 credit allowance date for a qualified high-speed rail
8 infrastructure bond is 25 percent of the annual cred-
9 it determined with respect to such bond.

10 “(2) ANNUAL CREDIT.—The annual credit de-
11 termined with respect to any qualified high-speed
12 rail infrastructure bond is the product of—

13 “(A) the applicable credit rate, multiplied
14 by

15 “(B) the outstanding face amount of the
16 bond.

17 “(3) APPLICABLE CREDIT RATE.—For purposes
18 of paragraph (2), the applicable credit rate with re-
19 spect to an issue is the rate equal to an average
20 market yield (as of the day before the date of sale
21 of the issue) on outstanding long-term corporate
22 debt obligations (determined under regulations pre-
23 scribed by the Secretary).

1 “(4) CREDIT ALLOWANCE DATE.—For purposes
2 of this section, the term ‘credit allowance date’
3 means—

4 “(A) March 15,

5 “(B) June 15,

6 “(C) September 15, and

7 “(D) December 15.

8 Such term includes the last day on which the bond
9 is outstanding.

10 “(5) SPECIAL RULE FOR ISSUANCE AND RE-
11 DEMPTION.—In the case of a bond which is issued
12 during the 3-month period ending on a credit allow-
13 ance date, the amount of the credit determined
14 under this subsection with respect to such credit al-
15 lowance date shall be a ratable portion of the credit
16 otherwise determined based on the portion of the 3-
17 month period during which the bond is outstanding.
18 A similar rule shall apply when the bond is re-
19 deemed.

20 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

21 “(1) IN GENERAL.—The credit allowed under
22 subsection (a) for any taxable year shall not exceed
23 the excess of—

1 “(A) the sum of the regular tax liability
2 (as defined in section 26(b)) plus the tax im-
3 posed by section 55, over

4 “(B) the sum of the credits allowable
5 under this part (other than this subpart and
6 subpart C).

7 “(2) CARRYOVER OF UNUSED CREDIT.—If the
8 credit allowable under subsection (a) exceeds the
9 limitation imposed by paragraph (1) for such taxable
10 year, such excess shall be carried to the succeeding
11 taxable year and added to the credit allowable under
12 subsection (a) for such taxable year.

13 “(d) CREDIT INCLUDED IN GROSS INCOME.—Gross
14 income includes the amount of the credit allowed to the
15 taxpayer under this section (determined without regard to
16 subsection (c)) and the amount so included shall be treat-
17 ed as interest income.

18 “(e) QUALIFIED HIGH-SPEED RAIL INFRASTRUC-
19 TURE BOND.—For purposes of this part, the term ‘quali-
20 fied high-speed rail infrastructure bond’ means any bond
21 issued as part of an issue if—

22 “(1) the issuer certifies that the Secretary of
23 Transportation has designated the bond for purposes
24 of this section under section 26106(a) of title 49,

1 United States Code, as in effect on the date of the
2 enactment of this section,

3 “(2) 95 percent or more of the proceeds from
4 the sale of such issue are to be used for expenditures
5 incurred after the date of the enactment of this sec-
6 tion for any project described in section 26106(a)(2)
7 of title 49, United States Code,

8 “(3) the term of each bond which is part of
9 such issue does not exceed 20 years,

10 “(4) the payment of principal with respect to
11 such bond is the obligation solely of the issuer, and

12 “(5) the issue meets the requirements of sub-
13 section (f) (relating to arbitrage).

14 “(f) SPECIAL RULES RELATING TO ARBITRAGE.—

15 “(1) IN GENERAL.—Subject to paragraph (2),
16 an issue shall be treated as meeting the require-
17 ments of this subsection if as of the date of
18 issuance, the issuer reasonably expects—

19 “(A) to spend at least 95 percent of the
20 proceeds from the sale of the issue for 1 or
21 more qualified projects within the 3-year period
22 beginning on such date,

23 “(B) to incur a binding commitment with
24 a third party to spend at least 10 percent of the
25 proceeds from the sale of the issue, or to com-

1 mence construction, with respect to such
2 projects within the 6-month period beginning on
3 such date, and

4 “(C) to proceed with due diligence to com-
5 plete such projects and to spend the proceeds
6 from the sale of the issue.

7 “(2) RULES REGARDING CONTINUING COMPLI-
8 ANCE AFTER 3-YEAR DETERMINATION.—If at least
9 95 percent of the proceeds from the sale of the issue
10 is not expended for 1 or more qualified projects
11 within the 3-year period beginning on the date of
12 issuance, but the requirements of paragraph (1) are
13 otherwise met, an issue shall be treated as con-
14 tinuing to meet the requirements of this subsection
15 if either—

16 “(A) the issuer uses all unspent proceeds
17 from the sale of the issue to redeem bonds of
18 the issue within 90 days after the end of such
19 3-year period, or

20 “(B) the following requirements are met:

21 “(i) The issuer spends at least 75 per-
22 cent of the proceeds from the sale of the
23 issue for 1 or more qualified projects with-
24 in the 3-year period beginning on the date
25 of issuance.

1 “(ii) Either—

2 “(I) the issuer spends at least 95
3 percent of the proceeds from the sale
4 of the issue for 1 or more qualified
5 projects within the 4-year period be-
6 ginning on the date of issuance, or

7 “(II) the issuer pays to the Fed-
8 eral Government any earnings on the
9 proceeds from the sale of the issue
10 that accrue after the end of the 3-year
11 period beginning on the date of
12 issuance and uses all unspent pro-
13 ceeds from the sale of the issue to re-
14 deem bonds of the issue within 90
15 days after the end of the 4-year pe-
16 riod beginning on the date of
17 issuance.

18 “(g) RECAPTURE OF PORTION OF CREDIT WHERE
19 CESSATION OF COMPLIANCE.—

20 “(1) IN GENERAL.—If any bond which when
21 issued purported to be a qualified high-speed rail in-
22 frastructure bond ceases to be such a qualified bond,
23 the issuer shall pay to the United States (at the
24 time required by the Secretary) an amount equal to
25 the sum of—

1 “(A) the aggregate of the credits allowable
2 under this section with respect to such bond
3 (determined without regard to subsection (c))
4 for taxable years ending during the calendar
5 year in which such cessation occurs and the 2
6 preceding calendar years, and

7 “(B) interest at the underpayment rate
8 under section 6621 on the amount determined
9 under subparagraph (A) for each calendar year
10 for the period beginning on the first day of
11 such calendar year.

12 “(2) FAILURE TO PAY.—If the issuer fails to
13 timely pay the amount required by paragraph (1)
14 with respect to such bond, the tax imposed by this
15 chapter on each holder of any such bond which is
16 part of such issue shall be increased (for the taxable
17 year of the holder in which such cessation occurs) by
18 the aggregate decrease in the credits allowed under
19 this section to such holder for taxable years begin-
20 ning in such 3 calendar years which would have re-
21 sulted solely from denying any credit under this sec-
22 tion with respect to such issue for such taxable
23 years.

24 “(3) SPECIAL RULES.—

1 “(A) TAX BENEFIT RULE.—The tax for
2 the taxable year shall be increased under para-
3 graph (2) only with respect to credits allowed
4 by reason of this section which were used to re-
5 duce tax liability. In the case of credits not so
6 used to reduce tax liability, the carryforwards
7 and carrybacks under section 39 shall be appro-
8 priately adjusted.

9 “(B) NO CREDITS AGAINST TAX.—Any in-
10 crease in tax under paragraph (2) shall not be
11 treated as a tax imposed by this chapter for
12 purposes of determining—

13 “(i) the amount of any credit allow-
14 able under this part, or

15 “(ii) the amount of the tax imposed
16 by section 55.

17 “(h) OTHER DEFINITIONS AND SPECIAL RULES.—
18 For purposes of this section—

19 “(1) BOND.—The term ‘bond’ includes any ob-
20 ligation.

21 “(2) QUALIFIED PROJECT.—The term ‘qualified
22 project’ means any project described in section
23 26106(a)(2) of title 49, United States Code.

24 “(3) TREATMENT OF CHANGES IN USE.—For
25 purposes of subsection (e)(2), the proceeds from the

1 sale of an issue shall not be treated as used for a
2 qualified project to the extent that the issuer takes
3 any action within its control which causes such pro-
4 ceeds not to be used for a qualified project. The Sec-
5 retary shall prescribe regulations specifying remedial
6 actions that may be taken (including conditions to
7 taking such remedial actions) to prevent an action
8 described in the preceding sentence from causing a
9 bond to fail to be a qualified high-speed rail infra-
10 structure bond.

11 “(4) PARTNERSHIP; S CORPORATION; AND
12 OTHER PASS-THRU ENTITIES.—Under regulations
13 prescribed by the Secretary, in the case of a partner-
14 ship, trust, S corporation, or other pass-thru entity,
15 rules similar to the rules of section 41(g) shall apply
16 with respect to the credit allowable under subsection
17 (a).

18 “(5) BONDS HELD BY REGULATED INVEST-
19 MENT COMPANIES.—If any qualified high-speed rail
20 infrastructure bond is held by a regulated invest-
21 ment company, the credit determined under sub-
22 section (a) shall be allowed to shareholders of such
23 company under procedures prescribed by the Sec-
24 retary.

1 “(6) REPORTING.—Issuers of qualified high-
2 speed rail infrastructure bonds shall submit reports
3 similar to the reports required under section
4 149(e).”.

5 (b) AMENDMENTS TO OTHER CODE SECTIONS.—

6 (1) REPORTING.—Subsection (d) of section
7 6049 of the Internal Revenue Code of 1986 (relating
8 to returns regarding payments of interest) is amend-
9 ed by adding at the end the following new para-
10 graph:

11 “(8) REPORTING OF CREDIT ON QUALIFIED
12 HIGH-SPEED RAIL INFRASTRUCTURE BONDS.—

13 “(A) IN GENERAL.—For purposes of sub-
14 section (a), the term ‘interest’ includes amounts
15 includible in gross income under section 54(d)
16 and such amounts shall be treated as paid on
17 the credit allowance date (as defined in section
18 54(b)(4)).

19 “(B) REPORTING TO CORPORATIONS,
20 ETC.—Except as otherwise provided in regula-
21 tions, in the case of any interest described in
22 subparagraph (A), subsection (b)(4) shall be
23 applied without regard to subparagraphs (A),
24 (H), (I), (J), (K), and (L)(i) of such subsection.

1 “(C) REGULATORY AUTHORITY.—The Sec-
2 retary may prescribe such regulations as are
3 necessary or appropriate to carry out the pur-
4 poses of this paragraph, including regulations
5 which require more frequent or more detailed
6 reporting.”.

7 (2) TREATMENT FOR ESTIMATED TAX PUR-
8 POSES.—

9 (A) INDIVIDUAL.—Section 6654 of such
10 Code (relating to failure by individual to pay es-
11 timated income tax) is amended by redesign-
12 ating subsection (m) as subsection (n) and by
13 inserting after subsection (l) the following new
14 subsection:

15 “(m) SPECIAL RULE FOR HOLDERS OF QUALIFIED
16 HIGH-SPEED RAIL INFRASTRUCTURE BONDS.—For pur-
17 poses of this section, the credit allowed by section 54 to
18 a taxpayer by reason of holding a qualified high-speed rail
19 infrastructure bond on a credit allowance date shall be
20 treated as if it were a payment of estimated tax made by
21 the taxpayer on such date.”.

22 (B) CORPORATE.—Section 6655 of such
23 Code (relating to failure by corporation to pay
24 estimated income tax) is amended by adding at

1 the end of subsection (g) the following new
2 paragraph:

3 “(5) SPECIAL RULE FOR HOLDERS OF QUALI-
4 FIED HIGH-SPEED RAIL INFRASTRUCTURE BONDS.—
5 For purposes of this section, the credit allowed by
6 section 54 to a taxpayer by reason of holding a
7 qualified high-speed rail infrastructure bond on a
8 credit allowance date shall be treated as if it were
9 a payment of estimated tax made by the taxpayer on
10 such date.”.

11 (c) CLERICAL AMENDMENTS.—

12 (1) The table of subparts for part IV of sub-
13 chapter A of chapter 1 is amended by adding at the
14 end the following new item:

 “Subpart H. Nonrefundable Credit for Holders of Qualified Am-
 trak Bonds.”.

15 (2) Section 6401(b)(1) is amended by striking
16 “and G” and inserting “G, and H”.

17 (d) ISSUANCE OF REGULATIONS.—Not later than 6
18 months after the date of the enactment of this section,
19 the Secretary of the Treasury shall issue regulations for
20 carrying out this section and the amendments made by
21 this section.

22 (e) HIGH-SPEED INTERCITY RAIL FACILI-
23 TIES.—

1 (1) REQUIREMENT TO MEET TITLE 49 RE-
2 QUIREMENTS.—Section 142(i) of the Internal
3 Revenue Code of 1986 is amended by adding at
4 the end the following new paragraph:

5 “(4) ADDITIONAL REQUIREMENTS.—A
6 bond issued as part of an issue described in
7 subsection (a)(11) shall not be considered an
8 exempt facility bond unless the requirements of
9 paragraphs (1) through (6) of section 26106(a)
10 of title 49, United States Code, are met.”.

11 (2) REVISION OF SPEED REQUIREMENT.—
12 Section 142(i)(1) of such Code is amended by
13 striking “150 miles per hour” and inserting
14 “125 miles per hour”.

15 (f) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to obligations issued after the date
17 of enactment of this Act.

18 **SEC. 4. HIGH-SPEED RAIL CORRIDOR DEVELOPMENT.**

19 (a) CORRIDOR DEVELOPMENT.—

20 (1) AMENDMENTS.—Section 26101 of title 49,
21 United States Code, is amended—

22 (A) in the section heading, by striking
23 “**planning**” and inserting “**development**”;

1 (B) in the heading of subsection (a), by
2 striking “PLANNING” and inserting “DEVELOP-
3 MENT”;

4 (C) by striking “corridor planning” each
5 place it appears and inserting “corridor devel-
6 opment”;

7 (D) in subsection (b)(1)—

8 (i) by inserting “, or if it is an activity
9 described in subparagraph (M)” after
10 “high-speed rail improvements”;

11 (ii) by striking “and” at the end of
12 subparagraph (K);

13 (iii) by striking the period at the end
14 of subparagraph (L) and inserting “; and”;
15 and

16 (iv) by adding at the end the following
17 new subparagraph:

18 “(M) the acquisition of locomotives, rolling
19 stock, track, and signal equipment.”; and

20 (E) in subsection (c)(2), by striking “plan-
21 ning” and inserting “development”.

22 (2) CONFORMING AMENDMENT.—The item re-
23 lating to section 26101 in the table of sections of
24 chapter 261 of title 49, United States Code, is

1 amended by striking “planning” and inserting “de-
2 velopment”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
4 26104 of title 49, United States Code, is amended to read
5 as follows:

6 **“§ 26104. Authorization of appropriations**

7 “(a) FISCAL YEARS 2002 THROUGH 2009.—There
8 are authorized to be appropriated to the Secretary—

9 “(1) \$70,000,000 for carrying out section
10 26101; and

11 “(2) \$30,000,000 for carrying out section
12 26102,

13 for each of the fiscal years 2002 through 2009.

14 “(b) FUNDS TO REMAIN AVAILABLE.—Funds made
15 available under this section shall remain available until ex-
16 pended.”.

17 **SEC. 5. REHABILITATION AND IMPROVEMENT FINANCING.**

18 (a) DEFINITIONS.—Section 102(7) of the Railroad
19 Revitalization and Regulatory Reform Act of 1976 (45
20 U.S.C. 802(7)) is amended to read as follows:

21 “(7) ‘railroad’ has the meaning given that term
22 in section 20102 of title 49, United States Code;
23 and”.

24 (b) GENERAL AUTHORITY.—Section 502(a) of the
25 Railroad Revitalization and Regulatory Reform Act of

1 1976 (45 U.S.C. 822(a)) is amended by striking “Sec-
2 retary may provide direct loans and loan guarantees to
3 State and local governments,” and inserting “Secretary
4 shall provide direct loans and loan guarantees to State and
5 local governments, agreements or interstate compacts con-
6 sented to by Congress under section 410(a) of Public Law
7 105–134 (49 U.S.C 24101 nt),”.

8 (c) EXTENT OF AUTHORITY.—Section 502(d) of the
9 Railroad Revitalization and Regulatory Reform Act of
10 1976 (45 U.S.C. 822(d)) is amended—

11 (1) by striking “\$3,500,000,000” and inserting
12 “\$35,000,000,000”;

13 (2) by striking “\$1,000,000,000” and inserting
14 “\$7,000,000,000”; and

15 (3) by adding at the end the following new sen-
16 tence: “The Secretary shall not establish any limit
17 on the proportion of the unused amount authorized
18 under this subsection that may be used for 1 loan
19 or loan guarantee.”.

20 (d) COHORTS OF LOANS.—Section 502(f) of the Rail-
21 road Revitalization and Regulatory Reform Act of 1976
22 (45 U.S.C. 822(f)) is amended—

23 (1) in paragraph (2)—

24 (A) by striking “and” at the end of sub-
25 paragraph (D);

1 (B) by redesignating subparagraph (E) as
2 subparagraph (F); and

3 (C) by adding after subparagraph (D) the
4 following new subparagraph:

5 “(E) the size and characteristics of the co-
6 hort of which the loan or loan guarantee is a
7 member; and”; and

8 (2) by adding at the end of paragraph (4) the
9 following: “A cohort may include loans and loan
10 guarantees. The Secretary shall not establish any
11 limit on the proportion of a cohort that may be used
12 for 1 loan or loan guarantee.”.

13 (e) CONDITIONS OF ASSISTANCE.—Section 502 of the
14 Railroad Revitalization and Regulatory Reform Act of
15 1976 (45 U.S.C. 822) is amended—

16 (1) in subsection (f)(2)(A), by inserting “, if
17 any” after “collateral offered”; and

18 (2) by adding at the end of subsection (h) the
19 following:

20 “The Secretary shall not require an applicant for a direct
21 loan or loan guarantee under this section to provide collat-
22 eral. The Secretary shall not require that an applicant for
23 a direct loan or loan guarantee under this section have
24 previously sought the financial assistance requested from
25 another source. The Secretary shall require recipients of

1 direct loans or loan guarantees under this section to apply
2 the standards of section 26106(a)(5) of title 49, United
3 States Code, to their projects.”.

4 (f) TIME LIMIT FOR APPROVAL OR DISAPPROVAL.—
5 Section 502 of the Railroad Revitalization and Regulatory
6 Reform Act of 1976 (45 U.S.C. 822) is amended by add-
7 ing at the end the following new subsection:

8 “(i) TIME LIMIT FOR APPROVAL OR DISAPPROVAL.—
9 Not later than 90 days after receiving a complete applica-
10 tion for a direct loan or loan guarantee under this section,
11 the Secretary shall approve or disapprove the applica-
12 tion.”.

13 (g) FEES AND CHARGES.—Section 503 of the Rail-
14 road Revitalization and Regulatory Reform Act of 1976
15 (45 U.S.C. 823) is amended by adding at the end the fol-
16 lowing new subsection:

17 “(l) FEES AND CHARGES.—Except as provided in
18 this title, the Secretary may not assess any fees, including
19 user fees, or charges in connection with a direct loan or
20 loan guarantee provided under section 502.”.

21 (h) SUBSTANTIVE CRITERIA AND STANDARDS.—Not
22 later than 30 days after the date of the enactment of this
23 Act, the Secretary of Transportation shall publish in the
24 Federal Register and post on the Department of Trans-
25 portation web site the substantive criteria and standards

1 used by the Secretary to determine whether to approve
2 or disapprove applications submitted under section 502 of
3 the Railroad Revitalization and Regulatory Reform Act of
4 1976 (45 U.S.C. 822).